Week 9 State and Society in Western and Eastern Han

Historical Overview

In 9 CE, a powerful minister named Wang Mang put himself on the throne, ending the first half of the Han Dynasty-- now known as Western Han-- and founding the short-lived Xin Dynasty. Wang Mang attempted to reconstruct the ideal state of Zhou, as described in Confucian Classics, but completely failed.

After rebellions broke out, a remote relative to the Western Han royal family, Liu Xiu, who reigned from 25 to 57 CE, eventually founded the Eastern Han, which lasted from 25 to 220 CE, building his capital in Luoyang. Eastern Han would rule for another 200 years despite the gradual weakening of the government's power. Second century CE saw the beginning of Religious Daoism. In 184 CE, Daoism inspired a large-scale rebellion, the Way of Great Peace or Taiping Dao, fundamentally wrecking the Han government system. Rebellions and civil strifes raged for the next 40 years before the official end of Eastern Han in 220 CE.

Section 1: State and Society in Western and Eastern Han

The issue for today is how the Han State as state related to the interests of the people. We've talked, to this point, about the institutional structure of the great centralized bureaucratic empire-- the kinds of institutional choices the Han had to make and the ways in which it sought to constrain and limit and guide this enormous imperial power at the center that it created.

But how did it relate to the people? The people-- the common people, the vast majority of the population. They were the source of revenue. The wealth that made it possible to have a national defense, to have an elaborate and wealthy court, to pay the salaries of officials.

But they were also the source of danger. There were more internal rebellions in Han than there were ever foreign invasions. The question of how the government's going to relate to the people is of fundamental importance to understanding the success of the dynastic form-- of the imperial form of government.

Section 2: What is State? What is Society?

1. What is State? What is Society?
Before beginning, we should talk about the use of these terms in society because they're not unproblematic. They don't really come into the parlance, or the language of Western analytic discourse, until the 19th century. And people have asked, should we, in fact-- can we, in fact-- talk about state and society as different things when looking back in Chinese history?

Because it is true that ideally, and in the rhetoric of politics, there is no distinction. That the political order should also provide the social order and the cultural order. This ideal, although rarely met, was part of the Chinese tradition. And yet, it was rhetoric. There are ways, I think, in which we can look at what is of the state and what is of the society.

There's another set of Chinese terms that points in this direction. That's the notion of gong and si, of the public versus the private. What's public? What's private?

Now I want to not worry so much about the theoretical discourse on the use of state and society as to say what I think the distinctions are. And I want to talk about this in terms of places and people and practices. What are the places, the people, and the practices that make up the state? What are the places, people, and practices that make up society?

2. State: Places, People and Practices

Let's begin with the state. What are its places? Well, we have a capital city. Sometimes there are secondary or tertiary capitals as well.

There are all the government centers, to which the government sends officials to oversee the law, to oversee the tax system, and so on. There are the garrisons and the military bases where the troops are stationed, particularly along the borders. These, in many ways, are the places of the state. They're points on the map. It's not as if the state is all the territory in terms of where it's really active. It's where its various capitals and headquarters are in the administrative hierarchy.

Who are its people? Well, its people are the collection of civil officials, and military officers, soldiers, clerks in the civil administration, and people working at court, a very, very small minority of the population which is in government employ.

And what are its practices? The practices of the state are fairly obvious. The tax administration-- and that in many ways what the field administration of commanderies and counties exist for, to extract revenue from the population. Law and justice to maintain courts, to make it possible for crimes to be discovered and punished, to provide provisions to the army, to have bases for the army, to recruit soldiers and to train them, to recruit officials, these are the practices of the state as well.

The last of the practices we associate with the state is education. But the Chinese term for that is not education in the modern sense of the word, "jiaoyu," but is "jiaohua," to transform through education or to transform through instruction. But what this meant was never quite clear.

For some people it meant that the government should carry out the proper rituals, whether at the court or in local government. That the proper gods should be worshipped and the proper celebrations should be had. For others, it meant to teach people the right moral values and the right modes of ethical behavior. For others, it meant an education, to train them, to test them, to make them literate and fully civilized and capable of serving in government.
3. Society from the State’s Perspective

The state also had a view of what society was. There's a famous division. It goes back, actually, to one of the many masters of the Warring States period, Guan Zhong, who defines so-called society in terms of four groups of people, a hierarchical listing-- the shi at the top, the nong-- the farmers-- next, the gong-- the artisans-- after that, and finally, the shang-- the merchants. Now I'm going to stop here because we'd like you to think about this particular hierarchy. See if you can figure out what the criteria are by which that hierarchy is defined and propose to us what alternative hierarchies there might be.

4. The State Hierarchy

I think many of you saw right away that this hierarchy begins with the officials. They're from the state's point of view. The vantage point is from the top down. Who serves the state? The shi-- the officials, the scholars-- they're at the top. Then there are the people who provide the basic revenue for the state, the farmers.

Then below that are the people who take what farmers produce and craft it into a usable good. At the very bottom are people who make their living by trading those goods that craftsmen and farmers produce. From the state's perspective, the most important revenue source is the farmers. And the most important human resource are the shi at the top-- the officials, the scholars.

5. Society: Places, People and Practices

We talked about the state in terms of places, people, and practices within a centralized, hierarchical bureaucratic system. But when we look at society, and the places and people and practices that make up society, it's not the bureaucratic system we should pay attention to, but the kinship system. And the kinship system is far more horizontal than the state administration.

What are its places? Well, its places are the towns and villages in which the people live, most of which are not visited by officials, most of which have no official representation, but still have some connection through paying their taxes. The markets where people trade, the networks of roads that connect villages-- or paths, usually-- that connect villages together, and markets, and villages

The places of society are not a hierarchical, national network. Rather, they're local and particular and regional. Who are the people? Well, it's fair enough to say that the people that constitute society are the vast majority-- over 90% of the population-- most of whom-- vast majority of them, in fact-- are farmers, tilling the land. They're organized by household and family, and kinship organizations tie them together.

If there is a hierarchy here, it's not a hierarchy of occupation or service to the state. It's a hierarchy based on wealth, family power, and culture. Later on in history, when we know much more about what's going in local society than we do for the Han dynasty, we can begin to talk about local elites, as well, and their role in society.

What are the practices? What are the practices that keep the population afloat? The most obvious set of practices is farming-- the technology of farming, the knowledge of farming, knowing what to plant, when to plant, how to prepare foods.
A second important practice—procreation. This society does not continue without procreation, and that leads us to marriage. And marriage, in the Chinese case, leads us to inter-family networks—the kinship connections across families.

One of the remarkable things about Chinese societies, that until the 20th century—in fact, until really the second half of the 20th century—you were not supposed to marry somebody of the same surname. Now that might not seem a big deal to Europeans and Americans, but in China, where there's a very limited set of surnames, and the majority of the population is probably divided up around—belongs to nine or ten different surnames, this prohibition on marrying within a surname meant that families would have to seek their kin elsewhere, and often not in the same village.

Another practice—we talked about the government's practice of education, being meant to transform the people. But the kind of practice of education that takes place in society is transmitting knowledge about how to do things—how to weave textiles, how to turn hemp into linen, how to turn silk worms into silk, when to farm—whether it's wheat in the north, or rice in the south.

The final aspect, I think, of social practices—practices in society—is something we can generally classify as religion—to worship gods, to propitiate local gods. We're talking really about gods that are very local, that are not national. There's not a national pantheon at this point, but local gods. And to know how to propitiate them, how to make offerings to them, but also how to seek from them, how to ask them for protection, how to ask them for favors.

6. The Different Logics of State and Society

I think with this distinction that I'm making between state and society, we really can talk about two different logics. The logic of the state is the impersonal, universal, abstract logic of a hierarchical bureaucratic organization. The logic of society is the logic of kinship. It relates people together.

The problem is kinship, like this, does not to scale up very well. It's hard to get from social models of family connection to a national imperial government. When you think of China as a whole or the Han Empire as a whole, it always make sense to think in terms of the state and to policy decisions being made at the court.

But if we were plant ourselves somewhere in China, in a particular point, then the state or certainly the central government would seem very far away. And if we located ourselves in the rural landscape in society, we wouldn't think in terms of China as a whole, the Han Dynasty as a whole. We'd think about the local roads, the local bridges, the local families in villages, agriculture and trade. We'd think actually in a very different way.

The logic of the state and the logic of society are different. They're both necessary. But the question then is who has the upper hand? What's the balance? What's the set of relationships between the two?

7. Extracting Resources: The Han Taxation System
So with that as sort of a methodological introduction to the problem of talking about state and society, let me give one more introduction before turning to the four variations for relating state and society that we see in the Han, Western and Eastern Han Dynasty. And that's the question of what were the demands that Han made on the population once it overthrew Qin and established its own empire? Well, we can begin with agricultural taxes. Agricultural taxes were a percentage of production.

When the Han took over, it immediately reduced agricultural taxes from the Qin norm of 1/15 of production to 1/30 of production. Productivity, if we talk about production, what are we talking about? In the Han Dynasty, we think farmers were able to produce four to five bushels an acre of wheat. They might have five to seven acres in the family farm, probably never more than 10. No household could farm more than 10 acres without more oxen or more machines or something like that.

By comparison, in 1935 in the United States, wheat farmers were producing only 12 bushels an acre of wheat. It's not until after the green revolution takes place in the United States beginning in the 1960s that we see the great growth in agricultural productivity. So that by 1989, when I actually have some figures, wheat farmers in the US were producing 35 bushels an acre.

Now, that green revolution have not taken place in China yet. Green revolution, we mean new hybrid strains, better fertilizers, and so on. And I recall that, I guess, it was in the late 1970s, a group of Chinese agronomists came on a tour of the United States. And they were told that in North Dakota and South Dakota the wheat farmers were producing 35 bushels an acre, and they refused to believe it. They didn't think it was possible. Well, China today, of course, has gone through the green revolution as well.

Second, a poll tax. By a poll tax, we mean a head tax. Every family was to pay a certain amount of money per person in the family. For adults-- and adulthood is defined as being between the ages of 15 and 56-- each adult, man and woman, is to pay 120 Chinese cash a year. And here, we have a picture of exactly what a Chinese cash of the Han Dynasty would have looked like.

Children between the ages of seven and 15 were paying 20 cash. Or the parents would have to pay 20 cash a year for children between the ages of seven and 15. Now, again, we face the problem, what is this worth? How do we measure 120 cash?

A wealthy Western Han merchant, or a well-to-do Western Han merchant might have an annual income of 20,000 cash. By comparison, 120 cash per adult in the household, so let's figure that's 240, add in, let's say, two or three children, 240, 280, 300, that doesn't seem to be very much. Well, maybe not. But here's another figure for you.

In 189 BCE, the Han wanted to increase the population. And so it put in a law that said, any woman between 15 and 56 who was not married would have to pay a special tax of 600 cash a year. So the supposition was that if you charge somebody 600 cash a year, it was enough to change their social behavior.

And so that's my standard of value, right? What gets people, what tax would get people to change the way they behaved and make a woman marry a man? 600 cash a year. Well, if we take a whole family together, say they're paying a poll tax of 300, would have to be double that for it to start to hurt.

The final tax there was was a tax on property. That is if you had an ox, if you had a house, if you had an iron plow, the value of these things would be added together and you would pay 120 cash per 10,000 cash of value-- so around 1.2%. Now, such taxes were not the only obligation that farmers had.

Notice that farmers have these. Most of the taxes are based on the farming communities. Adult males were also expected to perform one month of labor service a year. We call this sometimes the corvee.
During the off-season, in other words, when they weren't actively engaged in farming, they could be called up to help build roads, build dikes, channel rivers, dig canals and so on. And this was true, actually, into the 1960s. Males at the age of 23 would be given one year of military training. And they were liable to military call-up to a draft until they reached the age of 56.

The larger point I would make is that if we look at the Han Dynasty at the beginning, it's tax system is not oppressive. It's limited. It's been rolled back from what had existed in the Qin Dynasty.

And yet, because the government was not terribly active, wealth was flowing into government coffers. When Emperor Wu takes the throne and decides that he has big ambitions--ambitions for what, territorial expansion--it may be a general truth of politics that when the government has too much money, it wants to use it. Emperor Wu wanted to use it. And the way he wanted to use it was to expand the size of the empire.

If I look at a map of China during the Han Dynasty and look at where Han armies went, to the northeast, they went into Korea. To the north, they went against the Xiongnu. To the northwest, expeditions were sent out along the Silk route. To the southeast, expeditions went into northern Vietnam. So Han army started to extend the borders.

The problem with this was that the money, the surplus, was soon used up. And Emperor Wu's court faced the problem of how do we maintain those foreign garrisons? How do we supply them? How do we pay for them?

The only solution was to raise income. So this is our first option. How do you raise income? How you get the state to extract more from society?

Section 3: Four Options for State-Society Relations

Option 1: Emperor Wu’s Expansion of State

So Wudi’s court, Emperor Wu's court needs to raise revenues. And it wants to do it without increasing taxes on farmers. So what does it do? The solution was to increase production, to urge farmers to move to underpopulated, open land, particularly land near the borders. Because if you could have farmers produce their grains near the borders, the transportation costs to the garrisons would be much less.

The second solution was to have owners of great estates expand their estates to use their serfs or tenants to farm that land, and thus, when they were farming that land, to increase, through private investment, production.

They also saw that they could tax merchants and artisans to a greater extent. They doubled the tax on the property of merchants from 3% to 6% on merchants and artisans. But because they knew that merchants and artisans, people who had movable wealth like that who weren't bound to the land, could easily hide their wealth. They also instituted a policy of offering a 50% reward for people who informed on tax evaders.

The final set of measures was to expand state control over industries. The iron industry became a state monopoly. And the state was producing those very iron plows out of that monopoly. A second industry the state took over was salt, salt production, and salt sales. Now, in our society, salt is something we add to
food. But in a pre-modern agrarian society, salt is the means by which one preserves food through the summer. Salt was vital to survival, so this was a lucrative state industry.

And finally, the state started to play a role in the market by taking over, in some instances, wholesale trade—moving goods from one area to another where prices were low to where prices were high, where prices were high to where prices were low in order to equalize trade. But at the same time, taking over some of the profits from wholesale traders.

One could argue that the policies of Emperor Wu, which were meant to raise revenue and successfully did raise revenue, that these policies were anti-merchant, that they harmed the commercial economy, that they were putting the state in charge of everything. But I think we could also see a different argument, that its military campaigns into the north and to the northwest in fact opened trade routes. His campaigns to the south made connections between Southeast Asia and Han, allowing merchants greater possibilities and more activities.

So what might look like draining domestic resources to open foreign adventures, to open foreign connections can also be seen as, in fact, encouraging foreign trade. I'm not sure what the right answer to these are. But I do know that Han policies quickly caused a backlash, a backlash among people loosely known as Confucian officials. And this brings us to the second option in balancing the interests or relating the interest of state and society.

### Option 2: Confucian Resistance to State Expansion

One could argue that the opposition to the economic policies of Emperor Wu, these policies aimed at increasing state revenues were people who were defending the interests of society. They were, but they were defending the interests of a particular kind of society, one that they thought was ideal. They called for an end to collecting taxes in cash, and wanted to move back towards collecting cashes in kind only.

This would end, they thought, growing commercialization. And if there was no commercialization, or less commercialization, if taxes were not collected in cash, there’d be less need for government industries. Less need for mining and smelting. Less cash would be necessary in the economy. The state industries, the state monopolies, the state workshops could be turned over to private industry and private traders.

They wanted to end the growing disparity between great landowners, the very wealthy, and the poor. They envisioned an agrarian society that did not change, that had stability, and where villages were self sufficient, and in many ways divorced from a commercial economy. They got some hearing, policies were retrenched.

They were not able to limit the size of land holding. There was too much opposition to that. But the state backed off in some ways in its intrusion into private wealth. There was a very interesting debate, known as the salt and iron debates, that took place during this year, and we've given you a large piece of that debate, so that you can ask, which side was right?

Those who supported Emperor Wu, the policies of state economic expansion, or those who called for retrenchment? And you’ll be able to see their reasoning in both cases.
Option 3: Wang Mang’s Interregnum

The third option that we see it Han comes into focus with Wang Mang. Remember, Wang Mang was the Confucian trained bureaucrat who had usurped the Han thrown and created his new, or renewing dynasty. Wang Mang had a set of goals which combined, in some ways, the statist policies of Emperor Wu's reign with the desires of Confucian scholar officials to reduce commercialization.

One great difference, Confucian scholar officials wanted to bring back the troops. After all, if the troops had been brought back, if the empire was not aggressive on its borders, there would be no need to raise revenues. But Wang Mang wanted to return to a strong and wealthy state that was expanding. He did not oppose the expansion of state monopolies.

He was interested in restoring them, bringing in more revenue through state control over industry. At the same time, however, in something that the scholar officials approved of, he called for dramatic controls over private wealth. Let me give you some examples.

He wanted to forbid the sale, the private sale of land. That land should be returned to the state, and the state should redistribute it, thus limiting great private estates. He forbade the trade in human beings. People were not to be allowed to buy and sell humans, to buy and sell slaves. He called for forbidding private lending. People were no longer allowed to lend money at interest.

And finally, in a major that was meant to absorb some of the fortunes of the very wealthy, he decided to have a new kind of coinage. So remember that the Han coins were round coins with a square in the middle. Wang Mang's coins are these sort of like square in the middle, round at the top, and sort of like knives going down.

So overnight the new coins were promulgated, and people lost their hoards of private wealth. Wang Mang's policies were aborted by a rebellion against Wang Mang. He had usurped the thrown in 9 AD. In 23 AD, a rebellion breaks out against him. The new dynasty, the Xin dynasty, and he's soon off the throne.

But what's interesting about that is that this policy, the policies of Wang Mang were actually far more statist, far more state oriented than the policies of Emperor Wu's reign. Emperor Wu's reign went along with increasing private wealth, building great estates, amassing great fortunes. But for Wang Mang, the state was to be in total control of the economy and control of society.

It would be more equal, but the state would have control. And this is a characteristic of those later times in Chinese history when people have adopted the notion of new, or renewing, as the definition of their policies. In the 1070s under Wang Anshi, in the 1950s and the policies of xinzhongguo or new China under Mao Zedong, both took the same tack.

Option 4: Eastern Han

This brings us to our fourth and final option for relating state and society. And this takes place during the Eastern Han. In this mural you're seeing behind me, taken from the Wuliang Shrine, a shrine of the Wu family, showing the god Hebo driving a chariot pulled by fishes, Hebo is the river god. What this option represents is the gradual withdrawal of the state from society, from its responsibilities for social welfare, from its responsibilities to provide and be concerned with the popular welfare.
The political events that led to this are easy to describe. There was a great flooding of the Yellow River in the north, bringing great devastation. That was part of the reason for the rebellion against Wang Mang. But disorder caused by natural disaster is a fertile breeding ground for bandits and for military bands.

And soon one of the things we see happening is that the control over military and the violence starts to fall into private hands as families, great families, see the need to defend themselves from marauding groups of robbers. But it does mean that the state's control over violence is diminished. There is, when that happens, an extended but slow deterioration of the powers of the central government.

Further crises have bearing on this as well. There's the famous proscription of 167 to 184 AD when scholar officials are plotting against the eunuchs at court who are controlling the inner court. Unfortunately for them, the eunuchs find out first what's going on and attack the scholar officials, forcing them and their families out of government. This proscription thus leads to a movement of scholar officials into the countryside. Not allowed to serve in government anymore, they maintain their status through education, but through building their own rural estates.

Finally, there's the Yellow Turban Rebellion, which follows immediately on the proscription. The Yellow Turban Rebellion is eventually put down, but it puts power in the hands of the generals. And soon the generals are beginning to fight with each other. And in 220, the Han is divided into three kingdoms led by three of its generals.

These rebel movements were often the same time religious movements. They aimed to overthrow the dynasty. We know in one case between 132 and 193 AD, at least 14 rebels proclaimed themselves the Son of Heaven. Suppressing rebellions again gives more power to the generals.

One result of all these developments was the state withdrew evermore from society. And as it withdraws from local society, private power rises. It shuts down the monopolies. It closes state factories, starts to buy its weapons from defense contractors instead of from its own industries. It shrinks the state. It stops providing relief for those in trouble, those hit by natural disasters.

It fails to suppress bandits. It doesn't limit the powers of the great families. One consequence of this, recall that I said that in 2 AD, the population was 59.5 million. By 140 AD, the population has shrunk by 10 million. What that really means is that the registered population, the amount of people the state had some purchase on, had shrunk by 10 million, although there may have been extensive loss of life. There must have been extensive loss of life in the rebellions.

The elites that are beginning to appear, the great families that are beginning to appear in the countryside, are often called Confucian magnates, because they are families that see themselves as scholar official families that had once had careers in court. But now, as they retreat to the countryside without serving in government, they start to build up-- and here is another illustration of this-- they start to build up their own great estates, walled estates with watchtowers. And we know about this from various models of these estates that were put in tombs. With watchtowers with their own private armies, yet they represented at the same time culture, and civilization, and leadership.

Section 4: The Salt and Iron Debate

1. Simulation of The Salt and Iron Debate
As you know, the emperor, current emperor succeeded Emperor Wu when he was in his eighth year of life, far too young to rule. And thus I was appointed to be regent. My name is Huo Guang. My daughters have married emperors. My mother was-- not my mother, but my grandmother. And so we're what's called a consort family. And we hold the real power.

Young Emperor Zhao is sitting there. He's now in his 14th year. Still far too young to rule, and in my view, he will never be old enough to rule. But we've heard now that our policies, and policies of my esteemed father have caused some concern from those of you who are in the countryside. And so I thought I would begin by asking you literati types just what, what kind of society you're looking for.

Here are some of the questions that I have for you. Just what kind of society do you want? Right? What kind of economy do you want? What's your vision of our country, and how it should be run? And the same thing for you. And then we can talk about the actual policies.

2. In-Class Debate on the Discourses on Salt and Iron

Well-- yes?

I have our Lord Grand Secretary.

Your Lord Grand Secretary. Hm. Looks like the History of Science guy to me-- but good. And you?

We have several speakers, particularly virtuous literati on the committee, who feel that they can present certain sections of our position very articulately.

That's good. That's good. As you know, under our emperor's father, we had a great expansion of our country. We've conquered foreign peoples. We've set up new institutions. And now you have come to complain. You've come to complain. You come to defend.

But let me begin. What I would like to understand from you who've come from far-- from the provinces here to our capital-- our grand and glorious capital-- what is it that you think a good society is like? Could I begin with that question?

So what's a good society like?

Well, I can start. So folks, I would just like to say, as a literati, I feel like we've come at a watershed moment in our history. A lot of things have changed from the glorious past. We are set now on a path that leads to darkness, as we feel like.

So in the old times, guys, people would live in very simple housing. They would not value things that have no value, like ordained pearls, all kind of fancy stuff that we trade, and that we expand, we trade and then we get border posts-- outposts to defend that trade.

It gets very complicated. It's like your reinforcing feedback loop, almost. And we would like to go back to many of the morals and values that were prized in the olden days. And that includes simplicity, that includes people living quiet, virtuous lives-- that value not the things that don't matter.
So we want to be virtuous. We want to be simple. We don't want to take excessive risks. Because honestly, there is no need to take them, because we have our own great life at home. Why go out and do all this stuff? Why-- just what, exactly, will help us improve?

Right now, people are taking the branches and forgetting the roots, as it were. And we definitely would like to change that.

Roots. Roots. What is this word, roots, you're using? Roots? What roots?

This word roots is, in terms of our society, it's what makes us us. So it's the most basic and most elementary part of what we do. Our rituals, our simple lives-- the basic necessities that we live through every day.

And the branches, of course, the stuff that comes out. So that includes our trade for valuable goods. That includes our border outposts, our desires to conquer other peoples, which are based on our roots. But right now, we focus on them much more that we should. And we're forgetting our roots.

So master of ceremonies, this is the position of the literati-- that their roots are their values, their simple values?

Is it about values? What do we think?

Values and an agricultural based society.

Ah. Agriculture.

Yes. We need to stop worrying about producing this surplus. We need to just produce what we need to survive-- all the necessities. And you might say that you need the surplus to feed our armies that are conquering distant lands. But we say to that that we shouldn't be conquering distant lands.

If we lead a righteous and humane society, then outside countries will want to emulate us, and become a part of China on their own. We don't need to go conquer them.

Catherine, could you just stand up for a moment? OK. Thank you. All right. So you're a disaffected, disloyal soldier?

[LAUGHTER]

We're allowed to have our own opinions, too, on occasion.

[LAUGHTER]

So what kind of society, economy-- what do you want for us?

I suppose that bureaucracy of the state, what here might be, as if we do works well and stability. Through stability, you can actually tout and keep wealth, and through wealth you can endorse stability and ensure it. So that we can all simply have an agricultural, simple, rustic lifestyle.

The grand imperial city couldn't have happened that way. We should provide security in famine and from the barbarian invaders who, having seen our virtuous and wealthy lifestyle have repeatedly attempted to take that from us with swords.
As such, we need a sufficient surplus to provide for the defense of the empire. We need sufficient armies to defend the empire. And we need to trade to equalize distribution to allow for a uniform and stable layer of wealth. The values you speak of can be kept just as easily in the palace as in a hovel.

All right. Is there more on this question, coordinator? Chamberlain. She's a chamberlain, I think, that's organizing things here at court-- this debate. Is there more from your side to be said?

Do you have commercial wealth?

And part of portraying a wealthy and stable society is the network of trade and commerce, including the kind of goods you wouldn't get on an agricultural basis. The fine carvings, various rare silks from across the empire-- all sorts of goods.

That is vital to creating this wealth. And further, I can't see a reason why it is inherently negative to have enough for everyone.

Good. I had a question for the literati. What do they think the proper relationship is between government and the people?

Government should be a model for the people. And if the government continues to want more wealth and fine carvings, and is discontent with what they have, then the people would be discontent. And they will not just be able to be agricultural farmers, and sustain what they have, and be able to build a surplus over time.

Instead, they'll want these finer quality goods, and the money will go out of China into other areas, where you're getting these fine goods.

Much truth. Do you believe that the purchase of foreign luxuries-- after all, look at the lapis lazuli in my palace-- the wonderful jades. The fragrances, the incenses that we burn-- all coming from abroad. Do you believe that this is a drain on our wealth?

Given simply the economic might of the empire, and the sheer amount and variety of goods that we can produce, we can almost universally have highly favorable trade agreements, such that plain silk can be traded for this lapis lazuli and this jade.

Things that we have in abundance, if we only had the infrastructure to move it around, and bring it out to where we can trade for it.

So you have said that we can actually-- we're not losing money by trading for these luxury products. But you think we are. Do you think the government is taking money away from the people?

Although Lord Grand Secretary has spoken of wealth and stability, and he speaks of wealth in gold and jewels and silks and ornaments-- these things may be pleasing to the eye, but they do not fill stomachs.

The government's focus on commerce distracts the people from the fundamental occupation of agriculture. It leads the people to desire things that they do not need. It leads the people into selfishness, and into greed. So why should the government encourage people to desire the unnecessary things of life?

Our society does need wealth, and it does need stability. But we can find wealth in agriculture. And we can find stability in the contentedness and the virtue of our people.

I still have a question. It seems to me that you're saying that if we have trade, we'll all have greater wealth. Right? Is that true? Do you think that government action can make people wealthier? I understand that I'm
wealthy. But how about the general population? Do you think government action can make people wealthier through these policies?

It seems to me that these policies are actually making people poorer. You spoke of a stable layer of wealth. But it seems that, because of imports-- these imports that are very, very expensive-- we are seeking novelties from outside, and we are spending a lot of money on it.

And who's paying for these? It's the taxpayers. These weaving women who are doubly taxed to pay for these very expensive, luxurious things that we do not need. And so people are, in fact, getting richer on the expense of these working common people.

In addition to the actual trade of goods that's taking place, we also need to consider how this trade is taking place. We're not just shipping stuff down the street. These are very large government operations. The court is proposing to trade with these faraway lands.

And the protection that we need to pay for-- that we're paying for currently-- in the form of outposts, and garrisons, and soldiers all in these distant lands to protect these trade routes-- is also an enormous drain on the people. And we as literati feel that the goods that we are getting in return for these trade routes and for the money that we're expending is simply not worth the drain and the burden that it puts on the people.

Let's move to your specifics. You want us to abolish certain policies. Is that right?

So we would like the salt, iron, and alcohol monopolies to be abolished, as well as abolishing the idea of equalizing distribution. Because all that these policies do is destroy the wealth of the people, and don't help the common people to improve their livelihoods.

I don't understand, though-- why do they destroy the wealth of the people?

Because the government is competing with the people.

Ah. So you're assuming that the economies are like a fixed entity-- if we get more, you get less? That's your view-- what people in 2000 years from now will call a zero sum game? Mm. OK.

If I may respond to my opponent myself, the wealth of nature is not sufficient. And the treasures of the mountains and seas are indeed rich. And yet, the people still remain the available wealth is not adequate. The reason that surplus and scarcity is that surplus and scarcity have not been adjusted in wealth has not been circulated.

It is the infrastructure that we construct-- the same infrastructure that allows for visiting trade, that allows for peasants to have enough food. To-- in times of famine, let that be assuaged and even typically abolished. Because we can provide for it with support and structure the stability that we need.

The idea that because the imperial government has taken on the task of dealing with these fundamental goods, and supplying them to all, at well as financing our various instructive within, is simply erroneous. It is providing for greater stability than this small, closed-minded agricultural views are thwarting.

But explain to me what these policies are. So I've heard about a monopoly. What is this monopoly? What is being monopolized? And how does it work?

Can some of the courts provide answer? Someone?

Who from your court can speak to this?
The critical policies that we're trying to implement-- and have implemented-- include the nationalization of the iron, salt, and alcohol--

Why do you want to nationalize iron, of all things? Is it there in the mountains?

Well, we believe that with the iron that we gain, we will be able to create tools and weapons at a stable price for both our populace-- tools for our farmers and weapons for our soldiers.

And what tools do our farmers need?

Plows and other similar farming equipment.

2000 years later, people will know that the iron plow we used-- one of the first countries to use the iron plow consistently-- right? Is thanks to the fact that government foundries were putting out iron plows. In America, even in the 18th century, people were still very often using the wooden plows. So-- did you know that?

You are very far sighted.

I'm very far sighted. But I also have the advantage of a retrospective view. And the salt monopoly?

If we can distribute salt in order to preserve food, so that the people of the villages don't starve.

So salt to preserve food. OK. And a liquor monopoly?

Yeah. I believe the rationale behind monopolizing the alcohol industry would just be, in fact, revenue-- revenue that we could tax, and therefore supply the defenses at the northern and western areas.

And you also-- did you not-- you objected to equitable distribution or equalized distribution? And what is that?

It means that we take supplies like the three things we had monopolized and maybe foodstuffs, and where there's a surplus of it, and bring it to where people are starving, so that nobody in the empire has to starve.

OK. So you're moving goods around?

Establishing government stockpiles of goods.

Government stockpiles? Mm-hmm. OK. Now, I believe vice chancellor Wang there was starting to talk about these marauders on our northern border.

I actually had a another point I really wanted to-- just really quickly.

[LAUGHTER]

So I think there's an inherent contradiction in the argument being made by our literatis. So the literatis want a world where we have simplistic agriculture or farming. But a criticism of our regulation of the economy is that we're competing against private businesses and transactions.

But in your simplistic world of just people farming, there would be no transactions. There would be no salt for the farmers, no alcohol, no irons to be traded around. Everyone would just have their own low bowls of millet and be living very simply in that respect.
OK. You've now had a chance to make that point. But lord grand secretary and your consultants-- why do I need the money?

Well, we need the money so that we can defend against the barbarians at our borders. We need the money so we can supply food to our troops. We can provide them with adequate tools to defend themselves. So they can defend everyone else.

And what kind of people are the barbarians? I believe--

The Xiongnu.

The Xiongnu. And nice people?

No. They're really nasty people who doesn't live according to our rituals or to the values that you guys think are important. And then, as they actually take over our country, you guys will be the ones that actually suffer from this. And so we're protecting this country, and protecting you guys.

Isn't that true?

Well, can't we just deal with the barbarians in non-militaristic ways, such as through diplomacy?

[LAUGHTER]

We could try.

Any parting thoughts?

They just need to be led by example. If we embody righteousness and virtue, then they will see that we are the better society, and they will join us, I think. I think we can reach a peaceable status.

Buy them some flowers. Take them to a nice dinner.

And if--

Michelle-- one of your assistants there.

And what if, while we're waiting for them to accept our grand overtures of friendship-- what if in the meantime they kill our people at the borders? A true king embraces universal love, and does not care for the people at his large cities any more than the people at his borders. And the people at his borders are also his people who require his care.

Indeed.

When we do, that's the downfall of our own society-- that the government is cheating us out of money, and the fact that we're never content with what we have. And the merchants are in there trying to make an extra dollar on what we're doing.

And in the fact of saving our borders-- isn't an emperor supposed to not care how large his population is, but how virtuous it is? And wouldn't you rather have a virtuous society?

And aren't these barbarians always at threat from us actually? We are the ones who are expanding to their territories and causing this friction, which later comes back to us. If we just settle down and focus on what's
fundamental-- such as agriculture, promoting good virtue-- then we could, perhaps, completely forget about the barbarians and live happy, harmonious lives that the ancient sages were so forthcoming with describing.

Just to counter that, I think if you have a primarily agrarian-based society, you're eventually going to reach the point where your natural resources reach the point of exhaustion. And in order to maintain the society, you're going to have to expand outwards.

And so you will come, eventually, in conflict with those border people. So I think that's kind of a short-sighted judgment on your part.

Yeah. I'd also like to point out that the literatis seem to think that this commercial activity and these merchants are actually degrading the values of our society. But when you look at the values-- and Henry was mentioning that the root of Chinese society is cultivated by ritual.

And a lot of this ritual actually needs some of the artifacts that we get through this commercial activity. So this commercial activity is actually value sustaining than the opposite.

I think we more meant to say, agriculture is our foundation, and which we rely on it. But also, we need artisans, we need merchants. We just need them to trade goods that we really need. We don't need silks. We don't need jades for fancy ornaments and whatnot. We need to just-- what fuels our society properly.

I had a question for you literati. You'll notice that the lord grand secretary lives in a very grand mansion, and all his sons do, too. Yet he is an official of the state serving me-- or serving our emperor. Excuse me.

[LAUGHTER]

Too young to understand this-- but still. What do you think of this?

Perhaps there's some kind of special relationship between the merchants and the government officials, where the benefits of this free market actually accrue disproportionately to government bureaucrats, who are befriended with the merchants? So maybe there's some kind of corruption going on.

They're benefiting-- true. But are they benefited in the way that's truly righteous? Is it-- they're benefiting off the backs of farmers who have to labor, and they don't actually see the fruits of their labors. While merchants-- they're just the middlemen who are facilitating transactions. That's not-- that's not real wealth.

So if I understand what you're saying, your objection is to merchant wealth. And Allison is saying, it's not simply the merchant wealth. It's that the lord grand secretary is in cahoots with the merchant, and is skimming-- if I might put it that way-- extra profits for himself.

So the charge against you is that you are corrupt.

I would say it's not corruption. It's merely being good stewards of the citizens' money. We are actually ensuring that the government does not suffer any losses, while at the same time preventing merchants from speculating for profit.

But how come you're so wealthy, then?

Well, in regulating the expenses for cars, horses, and robes, and the expenditure of my family's servants and clients, I balance the debt and credit side of my budget. And I actually live a life of strict economy.
I keep account of each and every one of my salaries, appointments, and gifts. And my wealth has accrued gradually. Only the wealthy can maintain the wealth that they accrue. And it's only when the mountains and hillside have abundance that you guys can also enjoy this wealth.

So you say that only the wealthy can maintain the wealth that they accrue-- which may well be so. But how did you get to be wealthy in the first place?

Well, at the beginning when we heard the lord grand secretary talk about wealth and stability. And in this, we see that wealth and stability is only for them-- the bureaucrats. In this system they are finding a way to sustain themselves and to make money. But that's not for everyone else.

This equalizing distribution is in fact completely unequal. In the goods they produce from the new large factories, we see that they're not producing good products, because they're not taking pride in their work. They're merely working to meet quotas.

And also in these large factories, you have a large group of workers that did not exist before. And in that, you now have tools for unrest. Because they're being exploited. And in being exploited by the workers to meet the quotas, we now have the source of unrest.

So in fact, they are depleting the wealth, and depleting the stability-- if you can say that-- of society, just so they can have it for themselves.

Let me ask this question. How is it-- so the accusation still stands. You got to be wealthy because you were officials. You took advantage of your positions to accrue profits that merchants had-- to get the merchants to share with you. How can you justify that? I want to ask-- if I could call on-- ah. Jojo, I see your hand wants to be up.

Yes. Well, that's entirely untrue. The lord grand secretary was able to achieve the status that he has achieved from working hard, gradually moving up in the government, and from keeping careful account of all his expenses-- and in that way, was able to gradually accrue his wealth.

Mm. Is the lord grand secretary smart?

Very smart.

Very smart man. And people who are poor-- are they smart?

Not at all.

[LAUGHTER]

And the poor-- and the poor. Do you have examples-- can you give me examples of poor people who are smart?

One of the sage kings, Shun-- when they talk about when he was farming at Mount Li, his bounties did not extend to cover all the villages of the province. He didn't use the office to gain wealth, even though he would later be respected as one of the most--

Any word from Julian?

If we quote Lao-tzu, a poor country may appear plentiful, and that is not because there's accumulated great wealth, but because it is based on virtuous and a very simplistic society.
So a simple society, frugality—there's no need for luxuries, no need for wealth. And your claim that being—but defend yourselves again if you want to.

If I may--first of all, you speak of the great king Shun having started in a lowly position, but eventually having risen to a great one. Is that not specifically what you're claiming is not supported? That those who are smart and capability do not reach merit?

The existence of the system of bureaucracy is to find meritorious individuals, and place them in positions where they may do the best good for the state and the people.

Further, I might add that—you might say, a rising tide lifts all boats. What you decry as poverty for the average citizen is, in fact, much more stable and much more wealthy than it has ever been in the past, thanks to the advances that we've made, and thanks to our policies.

The sort of normalizing that down to the same abject poverty that we have helped them rise from is simply dishonest.

Lord grand secretary, it's time for my lunch. I've had enough of this debate. Thank you very much for your presentation.

Section 5: The State’s Retreat – Harbinger of the Aristocratic Age

This brings us, after thinking about these four models, the way in which state and society were related from Western Han to Eastern Han, to the end of the Han, and the rise of a new age. When the Han Empire broke into the three kingdoms, there was a brief period when the three kingdoms were united into one. But then northern invasions, the northern tribal peoples invade North China. The leading clans flee south.

We enter a new age, what might be called an aristocratic age. We'll have more to say about that in the next module. But an important feature of this age was that the government lost control over the very elites that it recruited into service. We see the advent of a new system by which local elites certified who was eligible to serve in government. And not only that, started to make that status hereditary.

This is the beginning of what is called in Chinese history the nine-rank system, the jiupin system, of scholar officials. It begins not as a set of nine ranks of officials. It is nine ranks of people that are eligible to become officials. A ranking that's set by people in local society, and becomes hereditary, and belongs to families thus guaranteeing them control over office.

Section 6: Epilogue – Reflection on China’s First Great Empire

Well, this brings us to the end of the story of the first great empire in Chinese history, the Han dynasty. We've seen that a unified empire is not a stable thing. That the institutional traces it makes change over time, and that it's beset by the problems of court politics, that various kinds of officials want to limit the imperial center, limit the power of the emperor.
We've also seen that the balance of interests between the interests of the state, largely financial interests, and the interests of society is not constant. It's kind of a wobbly pivot. For the dynasties to survive, it has to keep some degree of balance between the interests, the private interests of society, and the public interests of the state. It's hard to do.

But the Han did it perhaps better than anybody for longer than anybody. For almost 400 years, the world was Han. What did the common people think about all of this? Well, we actually don't have what they had to say. We can't see into their hearts. We can't even see into their words. But perhaps their actions tell us something.

We know that the common people joined rebellions. Whether this was the Yellow Turban Rebellion or the Five Packs of Rice Rebellion, they rebelled. If we look at the religious quality of these rebel movements, we see something of what the common people wanted.

With their celebrations and their ceremonies, the desire for spiritual fulfillment, the desire for community, the desire for mutual aid and help for the destitute. That leaves us, I think, with a kind of a question. When and how would they get what they wanted? But also, whose responsibility was it?